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RURAL AREAS  
DEVELOPMENT

# RAD NEWSLETTER

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## LOUISIANA COOPERATIVE'S FRUIT CAKE ON THE RISE

The rural cooperative which received one of the Nation's first Economic Opportunity loans to expand its fruit cake business did about four times the business it did last Christmas season when it sold about 6,000 pounds of fruit cakes.

Southern Consumer's Cooperative has two major activities -- credit unions and fruit cakes.

The southwest Louisiana cooperative got its start about 6 years ago in a rural low-income area where adult illiteracy was high. Its founder, the Rev. Albert McKnight, said "the philosophy of the cooperative movement seemed to be the instrument to kindle desires for self improvement."

First, a credit union was organized to help members learn about the complex business of credit. Today, the co-op has credit unions in about 30 communities.

Looking for a business that would use locally grown products and open a new source of income for its members, the co-op decided in July, 1964, to start making fruit cakes. The co-op put \$10,000 into the project, but members soon realized additional capital was needed.

That's when a representative of USDA's Rural Community Development Service suggested applying for a Small Business Administration loan under the newly passed Economic Opportunity Act. The co-op got the Nation's first such loan later that month.

The \$25,000 loan enabled the cooperative to increase its fruit cake production and to add pecan shelling and marketing and praline making to its operations.

"We have no illusion that this small program will bring total victory in the war on poverty in southwest Louisiana, but we feel it is a strong beginning," says the Rev. McKnight.

## RAD COMMITTEES SHOULD REVIEW, UP-DATE OEDP'S

RAD committees in rural counties that were eligible for loans and grants under the Area Redevelopment Administration (ARA) are urged by Assistant Secretary of Agriculture John A. Baker to review and up-date their Overall Economic Development Program's (OEDP) if they have pending projects or plan to apply for funds from the new Economic Development Administration (EDA).

The Public Works and Economic Development Act of 1965 enables local sponsors of industrial development projects to revive applications left pending with ARA and to continue their industrial development activities. The Economic Development Administration reports that the old OEDP's will be accepted for one year but that they must be up-dated in the meantime. This affects about 500 rural counties.



The Economic Development Administration expects that processing and approval of projects will begin this month.

Assistant Secretary Baker urged RAD committees and Technical Action Panels to review both new and unfunded applications and to reappraise the effect of their proposals on the county's economic development. The review should also take a new look at the project's feasibility and cost in view of current construction costs. RAD committees should establish priorities for projects and make sure that their OEDP's are up-to-date.

EDA wants to assist industrial projects that will create long-term employment opportunities and will primarily benefit the long-term underemployed members of low-income families.

FARM INCOME -- A 13-YEAR HIGH IN 1965. OUTLOOK FOR '66 -- EVEN BRIGHTER.

Realized net farm income is estimated at around \$14 billion for 1965, according to the latest figures from USDA's Economic Research Service. The 1965 figure is up over a billion dollars from the \$12.9 billion realized last year and the highest since 1952.

For 1966, economists see a possible gain of \$1/4 to \$1/2 billion. Continued strong domestic and foreign demands for U. S. farm products and the Food and Agriculture Act of 1965 back up this optimistic outlook.



LOOKING FOR A NEW PRODUCT IDEA? TRY THIS NEW USDA BULLETIN

Written especially for RAD committees, this USDA bulletin (New Product Development for Economic Growth in Rural Areas) offers "how-to" suggestions for learning about new products that could be made in rural areas. There's a listing of places to get new product ideas along with a section on turning these ideas into local industries.

For a free copy of MP-1013, write: Editor, RAD Newsletter, Office of Information, U.S. Department of Agriculture, Washington, D.C., 20250. Please include your ZIP code number.

URBAN WORKERS HELP FUND RURAL AREAS DEVELOPMENT

More than 30 labor union agencies, and State, county, and municipal workers have invested about \$190 million of their trust funds in loan programs of USDA's Farmers Home Administration.

The money is helping develop family farms, rural community water systems, rural recreation areas, and farm labor housing. Loans from the urban worker organizations are insured for repayment by USDA and comprise about 20 percent of the \$868.3 million total of Farmers Home-insured loans now outstanding.





"Through their heavy investment in these programs, urban workers are supporting the efforts of rural people to secure their farms and to put new vitality into their towns, thus adding strength to the entire national economy," Secretary of Agriculture Orville L. Freeman said.

#### SUMMER JOB BRINGS PRAISE, PAY, AND POSSIBLE CAREER

"Albert is the kind of boy I enjoy working with and helping."

Albert is 16 year-old Albert Martinez of Fort Worth, Texas. The man we're quoting is Dr. E. M. Hutto, a supervisory veterinarian of USDA's Meat Inspection Division, Consumer and Marketing Service. The two got to know each other through the President's Youth Opportunity Program -- a nation-wide effort to help high school students find summer jobs.

Last spring when school was out, Albert applied for work at the Texas Employment Commission. He was assigned to on-the-job training under Dr. Hutto at a local meat packing plant.

Albert was able to help support his mother, six brothers and a sister; kept busy; found the job he hopes to make his career; received invaluable training, and earned favor among his supervisors.

Walking about a mile each way every day during the summer to save as much money as possible, Albert stuck with his job until Sept. 7 -- about 18 hours before he enrolled with his junior class.

Albert hopes to become a meat inspection supervisor like Dr. Hutto. "But, I know I have a long way to go," Albert said. Dr. Hutto thinks he'll make it.

#### MEMO TO APPALACHIAN REGION

RAD Committees in Appalachia working on education facilities will want to keep in mind that Appalachian Regional Commission grants may be used to supplement basic grants provided by the Higher Education Facilities Act of 1965.

For example, a \$234,000 supplemental grant to help construct a building on the campus of Alderson-Broadus College, Phillipi, West Virginia, was announced in mid-November.

The college is planning a new science, mathematics, and language building to cost \$1 million. The grant supplements \$333,000 from the Division of College Programs of the U.S. Office of Education, Department of Health, Education, and Welfare, and \$200,000 in College funds.



#### USDA ESTABLISHES ECONOMIC DEVELOPMENT DIVISION IN ECONOMIC RESEARCH SERVICE

Secretary of Agriculture Orville L. Freeman recently announced a new Economic Development Division to conduct research on low-income problems and the opportunity gap in rural areas.

"This reorganization is part of the overall effort in the Department to place more emphasis on the problems of rural life," Secretary Freeman said.

The new division in the Economic Research Service will make studies of the well-being and opportunities of rural people, area development as related to regional and national development, and the role of local government and other organizations in the growth process. Special emphasis will be given to problems of upgrading living conditions in rural areas.

### 13 GOVERNORS TO ADVISE ON REGIONAL DEVELOPMENT

The governors of 13 States in the Ozarks, New England, and the Upper Great Lakes areas were invited to submit recommendations on the establishment of three regions which would be eligible for Federal help to improve their economies.

The Public Works and Economic Development Act of 1965 authorizes Federal aid for regions whose economies are lagging behind the Nation's overall prosperity. After the regions are formally designated by the Secretary of Commerce, commissions may be formed and obtain Federal funds for planning and administrative expenses.

The commissions will prepare comprehensive programs for developing the resources and economies of their regions. Specific projects developed by Regional Planning Commissions must be funded through separate Congressional legislation.

The following States were invited to submit their recommendations:

The Ozarks -- Arkansas, Oklahoma, and Missouri; New England -- Maine, Vermont, New Hampshire, Connecticut, Massachusetts, Rhode Island, and New York; Upper Great Lakes -- Minnesota, Wisconsin, and Michigan.

Most State RAD committees have already been working with the governor's representative, supplying information on the needs of rural areas in these States.

### 10 NEW RC&D PROJECTS TO GET USDA ASSISTANCE

Ten newly designated Resource Conservation and Development projects covering more than 21 million acres in 10 States, are receiving planning assistance from USDA.

The 10 projects are in Kentucky, Tennessee, West Virginia, Oklahoma, Maine, Missouri, Arkansas, Montana, Alabama, and Mississippi. Now, there are 20 RC&D projects underway in 21 States.

RC&D projects are aimed at speeding resource conservation programs and developing local economies in a broad area through coordinated effort. USDA's Soil Conservation Service administers the program and provides technical assistance in developing project plans in cooperation with local sponsors, other USDA agencies, and other groups.

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